

February 18, 2010

Federal Trade Commission  
Office of the Secretary  
600 Pennsylvania Avenue N.W.  
Washington, DC 20580

By Online Submission to: [ftcpublic.commentworks.com/ftc/consumerprivacyreport/](http://ftcpublic.commentworks.com/ftc/consumerprivacyreport/)

**Re: File No. 095416: Federal Trade Commission (Bureau of Consumer Protection)  
– Staff Report: *Protecting Consumer Privacy in an Era of Rapid Change***

DoubleVerify appreciates the opportunity to comment on the Federal Trade Commission's Staff Report ("FTC Report"), *Protecting Consumer Privacy in an Era of Rapid Change*.

As a pioneering leader in online media verification, DoubleVerify occupies a unique position within the personal data ecosystem described in the FTC Report. We work across the online advertising community – with advertisers, agencies, networks, publishers, exchanges and more—to bring accountability, brand safety, compliance and transparency to online advertising. DoubleVerify is the only advertising verification provider certified on AOL, MSN, Yahoo and Google and is the preferred vendor of all six agency holding companies. Our proprietary technology verifies that ad impressions are compliant, and are served and displayed in the way in which they were intended – *without the collection, tracking or use of consumer data*.

DoubleVerify gives companies the ability to verify a number of factors related to an online ad campaign - including brand safety (by preventing from an ad from running alongside inappropriate content), ad network performance (by eliminating waste, and increasing ROI and conversion rates) and page placement. We also monitor ad inventory and publisher sites, to keep the ad network free of fraudulent and malicious sites. Our verification platform has an extensive reach – we currently verify over 35 billion impressions a month – and is well suited for compliance. In fact, we recently launched a DAA<sup>1</sup> approved compliance solution for online behavioral advertising ("OBA"). This solution is based on the industry's Self-Regulatory Principles around Behavioral Advertising,<sup>2</sup> which were released in 2009, and were partly inspired by the FTC's Self-Regulatory Principles for Behavioral Advertising.<sup>3</sup>

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<sup>1</sup> The Digital Advertising Alliance or [DAA](http://www.daa.org) is the governing association for the industry's Self-Regulatory Principles around Behavioral Advertising.

<sup>2</sup> The full text of the industry's Self-Regulatory Principles around Behavioral Advertising is at: <http://www.aboutads.info/resource/download/seven-principles-07-01-09.pdf>

<sup>3</sup> FTC Self-Regulatory Principles for Online Behavioral Advertising, available at: <http://www.ftc.gov/os/2009/02/P085400behavadreport.pdf>

By helping companies comply with the OBA self-regulatory principles and verifying compliance, DoubleVerify occupies a unique role within the consumer data ecosystem. Based on our experience, we believe that an effective privacy protection framework must have public and private enforcement components that work together to elevate consumer trust. Accordingly, we would encourage the FTC to recognize the role played by DoubleVerify and similar “trusted” third parties in compliance and verification. We believe that a successful privacy framework is one where trusted third parties and government regulators work together to assure compliance. In addition, we think that it’s important that a data protection framework be designed in a way that protects consumers – but also preserves incentives for companies to continue competing and innovating in the online advertising space.

As we do not directly collect, track or use consumer data, DoubleVerify will limit our responses (particularly as some of the inquiries are not relevant to our business). Where applicable, we provide our perspective, which is based on our own experience as well as the experience of working with our clients on their compliance and verification needs. Our responses are included below:

**1. *How can the full range of stakeholders be given an incentive to develop and deploy privacy-enhancing technologies?***

DoubleVerify supports the creation of a consumer data protection framework that provides incentives for all companies to develop privacy-enhancing technologies. We believe that online privacy is directly related to a consumer’s trust in the integrity of online commerce – one cannot exist without the other. The largest incentive here is economic; as the FTC well knows, companies that do not live up to their privacy promises often suffer loss of business, as well as reputational harm.


In crafting the framework, we also think that the FTC should be careful to not pick “winners and losers” when it comes to technology, and to recognize the competitive impact of any potential regulation. For instance, we note that when news broke last fall about the use of Flash cookies by popular websites to re-spawn browser cookies, a number of tools emerged to help consumers delete tracking technologies, including Flash cookies.<sup>4</sup> The market evolved, almost overnight, to empower consumers with the right tools – because the right incentives existed for enterprising companies to create these tools. We would hope the Commission keeps this in mind when considering a “universal” Do-Not-Track choice mechanism. By mandating a universal standard that “freezes” technology at a certain point in time, the Commission may be forestalling continued innovation around choice mechanisms, destroying the incentives for companies like DoubleVerify to innovate in this space. We address Do-Not-Track further and in more detail later in this response.

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<sup>4</sup> Riva Richmond, Resisting the Online Tracking Programs, New York Times (November 10, 2010), available at: [http://www.nytimes.com/2010/11/11/technology/personaltech/11basics.html?\\_r=2&emc=tnt&tntemail0=y](http://www.nytimes.com/2010/11/11/technology/personaltech/11basics.html?_r=2&emc=tnt&tntemail0=y)

**2. *What roles should different industry participants – e.g., browser vendors, website operators, advertising companies – play in addressing privacy concerns with more effective technologies for consumer control?***

DoubleVerify believes that all industry participants have a role to play when it comes to addressing consumer privacy concerns. For instance, DoubleVerify's

OBA compliance solution places the Advertising Option icon or  symbol on the ad when OBA is being used, the icon provides just in time notice to the user that the ad they're viewing was behaviorally targeted and compliant with industry guidelines. Our solution also helps clients comply by providing additional just in time disclosure and opt-out capabilities to the consumer,

**3. *Is the list of proposed “commonly accepted practices” set forth in Section V(C)(1) of the report too broad or too narrow?***

We think that certain clarifications can be made to the product and service fulfillment category of the “commonly accepted practices” outlined in the FTC Report. Please see our answer to question no. 4, below.

**4. *Are there practices that should be considered “commonly accepted” in some business contexts but not in others?***

DoubleVerify supports the identification in the FTC Report of certain “commonly accepted practices” for which companies should not be required to seek additional consent once the consumer elects to use the product or service in question. We note that FTC staff has identified five specific categories of such practices: product and service fulfillment, internal operations, fraud prevention, legal compliance and public purpose, and first-party marketing.

We would urge the FTC to include “online advertising verification” and “online compliance” as identified practices under the product and service fulfillment category of “commonly accepted practices.” With compliance issues penetrating the online advertising market, verification is fast-becoming a necessary service for the online advertising community. There is a growing need for verification services that ensure ad campaigns are running alongside appropriate brand inventory, and in conformance with campaign specifications, as well as government and industry regulations.


DoubleVerify's online verification and compliance technology helps our clients comply and informs our clients that their ads are running correctly, without targeting or identifying an individual user in any way. Accordingly, we believe that the collection and use of such information for compliance and verification purposes should also be considered a “commonly accepted practice” within the FTC's consumer privacy framework.


**5. *Choice: Would a uniform icon or graphic for presenting options be feasible and effective in this and other contexts?***


DoubleVerify believes that the DAA endorsed  symbol is an example of a uniform icon that effectively provides choice around behavioral advertising. Please see our answers to questions numbered 6 through 9 for additional thoughts on this point.

**6. *How should a universal choice mechanism be designed for consumers to control online behavioral advertising?***

DoubleVerify would support a universal choice mechanism that is designed with stakeholder participation, not mandated by regulation. We would point to the

advertising industry's adoption of the  symbol, as an example of how a universal choice mechanism can be developed collaboratively. We have been closely involved with the industry's self-regulatory efforts around OBA since 2009. We worked with the IAB and the NAI on the development of the CLEAR (Control Links for Education and Advertising Responsibly) Ad Notice Technical Specifications, a set of common technical standards technical specifications

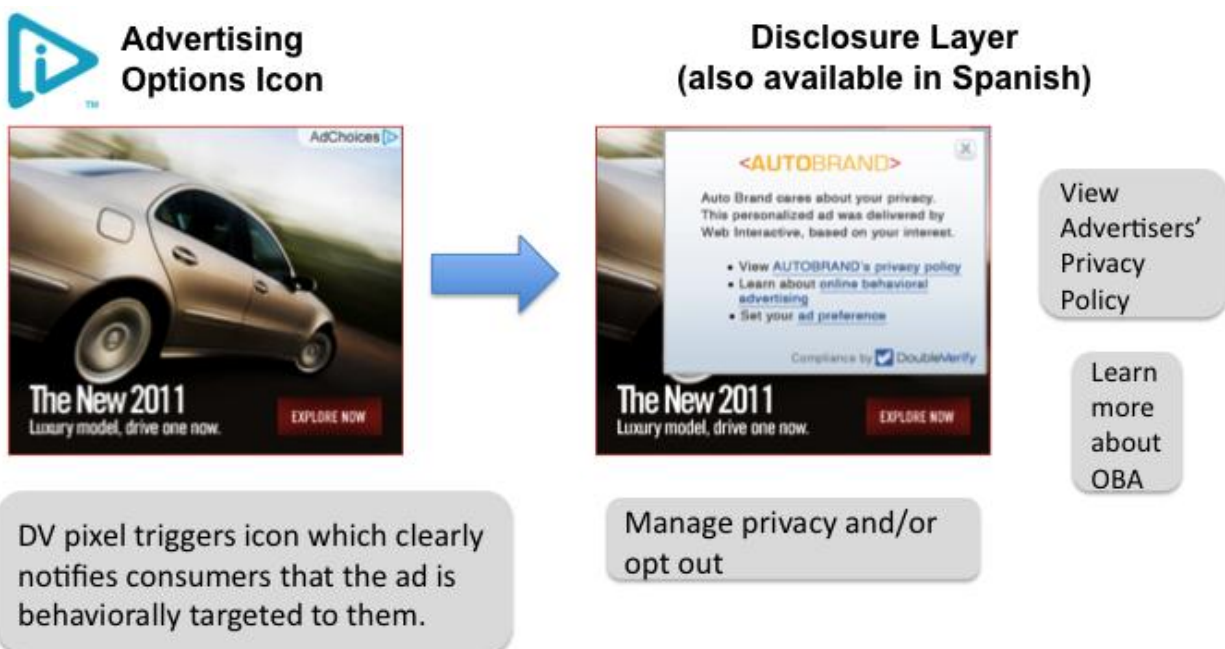
preceded the industry's development and adoption of the  symbol for online ads.<sup>5</sup> The symbol directs users to additional information about online behavioral advertising and provides opt-out choices.

The development of the  symbol provides one model on how a universal choice mechanism can be designed and implemented. Currently, over 40 Fortune 500 companies have signed up with DoubleVerify for OBA compliance, and we continue to work closely with the DAA and its members to ensure the success of the industry's OBA privacy efforts.


**Figure 1. Implementation of DoubleVerify's OBA Solution**

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<sup>5</sup> Details about the specifications of the CLEAR Ad Notice can be found at <http://www.iab.net/clear>




**7. How can such a mechanism be offered to consumers and publicized?**

The DAA endorsed  symbol or Advertising Options icon, is an example of a choice mechanism that is easily available through the industry developed website at [www.aboutads.info](http://www.aboutads.info). Our just-in-time notice on behaviorally targeted ads includes a link to [www.aboutads.info](http://www.aboutads.info), which features information for consumers, including details on the DAA's self-regulatory OBA principles and a link to the beta version of the Program's Consumer Opt Out Page, which allows users to conveniently opt-out from online behavioral ads served by some or all of the DAA's participating companies.

**8. How can such a mechanism be designed to be clear, easy-to-find, usable, and understandable to consumers?**

See our answer to 9. Below.

**9. How can such a mechanism be designed so that it is clear to consumers what they are choosing and what the limitations of the choice are?**

We believe the  symbol and Advertising Options icon provides a clear notice to consumers about their OBA choices. The Advertising Options icon is a just-in-time notice, and typically has prominent placement next to an ad. Once the icon is clicked, it provides information about OBA as well as the consumer's opt-out choices. After delivering 5 billion Advertising Options icons since December 2010, our data indicates that only .002% of consumers that clicked on the icon are interested in learning more, and less than 1% of consumers that clicked on the icon decided to opt-out of OBA altogether.

**10. *What are the potential costs and benefits of offering a standardized uniform choice mechanism to control online behavioral advertising?***

DoubleVerify strongly opposes offering a standardized uniform choice mechanism to control OBA. Choice mechanisms continue to evolve – most notably on the mobile platform where we have seen several innovations in “short” and “just in time” notices during the past year. By mandating a specific choice mechanism, the FTC runs the risk of foreclosing other alternative choice mechanisms – a high cost, particularly if companies stop innovating around choice.

Alternatively, the FTC could prescribe a set of features that each OBA compliant mechanism should include; in this way, OBA notices would feature certain common elements that would be easily recognizable to consumers, while not impeding the development of the technology itself.

**11. *How many consumers would likely choose to avoid receiving targeted advertising?***

We have limited data on how many consumers would likely choose to avoid receiving targeted advertising. Since launching our OBA solution in December 2010, DoubleVerify has delivered 5 billion Advertising Options icons. Based on our data, only .002% of consumers that clicked on the icon are interested in learning more; and less than 1% of consumers that clicked on the icon decided to opt-out of OBA altogether.

**12. *How many consumers, on an absolute and percentage basis, have utilized the opt-out tools currently provided?***

Please see our response to question no. 11, above.

**13. *What is the likely impact if large numbers of consumers elect to opt out? How would it affect online publishers and advertisers, and how would it affect consumers?***

DoubleVerify believes that there will be a significant, negative impact on the online advertising ecosystem if large numbers of consumers elect to opt-out of targeted or “interest-based” advertising. If consumers opt-out of receiving targeted ads in large numbers, the overall effectiveness of an advertising campaign is reduced, resulting in a reduced ad price. With less ad revenue, publishers will be less inclined to offer free content. This will ultimately impact consumers, who might find they are paying for content that they once viewed for free.



According to a NAI study<sup>6</sup> released in March 2010 by Howard Beales, behaviorally-targeted ads are more than twice as effective, and sell for twice the price, as non-targeted ads. This considerably enhances advertising revenue on the web. In addition, behaviorally-targeted ads are twice as effective at converting consumers who “click,” into consumers who “buy.” The study demonstrates the significance of behavioral advertising to an economic model supporting free online content and services for consumers. Arguably, this model would be disrupted significantly if large numbers of consumers opted out of receiving targeted ads. In addition, industry participants would be discouraged from using or creating innovative technologies that implicate behavioral targeting.

- 14. *In addition to providing the option to opt out of receiving ads completely, should a universal choice mechanism for online behavioral advertising include an option that allows consumers more granular control over the types of advertising they want to receive and the type of data they are willing to have collected about them?***

If such a mechanism were to be implemented, it should be based on an existing and widely accepted system of classification, such as the IAB classification categories.

- 15. *Should companies increase their use of machine-readable policies to allow consumers to more easily compare privacy practices across companies?***

DoubleVerify strongly supports the use of machine-readable privacy policies, as we believe technology provides a scalable and more reliable solution to deciphering the specifics of a company or web property’s privacy policy. Our own technology successfully uses pixels and web crawlers to verify ad placement and OBA compliance – and today, we are the leader in online media verification, with over 300 billion impressions verified in 2010.

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<sup>6</sup> Howard Beales, *The Value of Behavioral Advertising*, available at: [http://www.networkadvertising.org/pdfs/Beales\\_NAI\\_Study.pdf](http://www.networkadvertising.org/pdfs/Beales_NAI_Study.pdf)